

103^D CONGRESS
1ST SESSION

S. 1143

To improve the delivery of health care services in rural areas by creating an Assistant Secretary for Rural Health, to amend title XVIII of the Social Security Act to provide that medical assistance facilities be reimbursed based on reasonable cost, to establish a grant program for the use of interactive telecommunications systems, and to adjust the payments made for certain direct graduate medical education expenses.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 1993

Mr. BAUCUS (for himself, Mr. CONRAD, Mrs. MURRAY, Mr. INOUE, and Mr. DORGAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve the delivery of health care services in rural areas by creating an Assistant Secretary for Rural Health, to amend title XVIII of the Social Security Act to provide that medical assistance facilities be reimbursed based on reasonable cost, to establish a grant program for the use of interactive telecommunications systems, and to adjust the payments made for certain direct graduate medical education expenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Health Improve-
3 ment Act of 1993”.

4 **SEC. 2. OFFICE OF RURAL HEALTH POLICY.**

5 (a) APPOINTMENT OF ASSISTANT SECRETARY.—

6 (1) IN GENERAL.—Section 711(a) of the Social
7 Security Act (42 U.S.C. 912(a)) is amended—

8 (A) by striking “by a Director, who shall
9 advise the Secretary” and inserting “by an As-
10 sistant Secretary for Rural Health (in this sec-
11 tion referred to as the ‘Assistant Secretary’),
12 who shall report directly to the Secretary”; and

13 (B) by adding at the end the following new
14 sentence: “The Office shall not be a component
15 of any other office, service, or component of the
16 Department.”.

17 (2) CONFORMING AMENDMENTS.—(A) Section
18 711(b) of the Social Security Act (42 U.S.C. 912(b))
19 is amended by striking “the Director” and inserting
20 “the Assistant Secretary”.

21 (B) Section 338J(a) of the Public Health Serv-
22 ice Act (42 U.S.C. 254r(a)) is amended by striking
23 “Director of the Office of Rural Health Policy” and
24 inserting “Assistant Secretary for Rural Health”.

25 (C) Section 464T(b) of the Public Health Serv-
26 ice Act (42 U.S.C. 285p–2(b)) is amended in the

1 matter preceding paragraph (1) by striking “Direc-
2 tor of the Office of Rural Health Policy” and insert-
3 ing “Assistant Secretary for Rural Health”.

4 (D) Section 6213 of the Omnibus Budget Rec-
5 onciliation Act of 1989 (42 U.S.C. 1395x note) is
6 amended in subsection (e)(1) by striking “Director
7 of the Office of Rural Health Policy” and inserting
8 “Assistant Secretary for Rural Health”.

9 (E) Section 403 of the Ryan White Comprehen-
10 sive AIDS Resources Emergency Act of 1990 (42
11 U.S.C. 300ff-11 note) is amended in the matter pre-
12 ceding paragraph (1) of subsection (a) by striking
13 “Director of the Office of Rural Health Policy” and
14 inserting “Assistant Secretary for Rural Health”.

15 (3) AMENDMENT TO THE EXECUTIVE SCHED-
16 ULE.—Section 5315 of title 5, United States Code,
17 is amended by striking “Assistant Secretaries of
18 Health and Human Services (5)” and inserting “As-
19 sistant Secretaries of Health and Human Services
20 (6)”.

21 (b) EXPANSION OF DUTIES.—Section 711(a) of the
22 Social Security Act (42 U.S.C. 912(a)) is amended by
23 striking “and access to (and the quality of) health care
24 in rural areas” and inserting “access to, and quality of,
25 health care in rural areas, and reforms to the health care

1 system and the implications of such reforms for rural
2 areas”.

3 **SEC. 3. COVERAGE OF, AND PAYMENT FOR, MEDICAL AS-**
4 **SISTANCE FACILITY SERVICES.**

5 (a) AMENDMENTS TO PART A.—

6 (1) DEFINITIONS.—Section 1861 of the Social
7 Security Act (42 U.S.C. 1395x) is amended by add-
8 ing at the end the following new subsection:

9 “Medical Assistance Facility; Medical Assistance Facility
10 Services

11 “(oo)(1) The term ‘medical assistance facility’ means
12 a facility which—

13 “(A) is located in a county (or equivalent unit
14 of local government) with fewer than 6 residents per
15 square mile or is located more than a 35 mile drive
16 from a hospital, a rural primary care hospital, or an-
17 other facility described in this subsection;

18 “(B) furnishes services to ill or injured individ-
19 uals prior to the transportation of such individuals
20 to a hospital or furnishes inpatient care to individ-
21 uals needing such care for a period not longer than
22 96 hours;

23 “(C) permits a physician assistant or nurse
24 practitioner to admit and treat patients under the

1 supervision of a physician not present in such facil-
2 ity;

3 “(D) meets the requirements of section 1861(e)
4 that are applicable to a hospital located in a rural
5 area except that—

6 “(i) with respect to any requirements relat-
7 ing to the number of hours that the facility
8 must be open on a daily or weekly basis, the fa-
9 cility is only required to meet the requirement
10 to provide emergency care on a 24-hour basis;

11 “(ii) with respect to any services required
12 under such section to be furnished by a dieti-
13 cian, pharmacist, laboratory technician, medical
14 technologist, and radiological technologist, the
15 facility may furnish such services on a part-
16 time, off-site basis; and

17 “(iii) the inpatient care described in sub-
18 paragraph (B) may be furnished by a physician
19 assistant or nurse practitioner as provided in
20 subparagraph (C);

21 “(E) receives a certification of medical necessity
22 and appropriateness by a peer review organization
23 (or the equivalent of a peer review organization)
24 upon admitting each patient on an inpatient basis
25 or, in the case of admissions that do not occur dur-

1 ing regular business hours, receives such a certifi-
 2 cation at the earliest possible time; and

3 “(F) may enter into an agreement with the Sec-
 4 retary under section 1883 under which the facility’s
 5 inpatient hospital facilities may be used for the fur-
 6 nishing of services of the type which, if furnished by
 7 a skilled nursing facility, would constitute extended
 8 care services.

9 “(2) The term ‘inpatient medical assistance facility
 10 services’ means items and services furnished to an inpa-
 11 tient of a medical assistance facility by such facility that
 12 would be inpatient hospital services if furnished to an in-
 13 patient of a hospital by a hospital.”.

14 (2) COVERAGE AND PAYMENT.—(A) Section
 15 1812(a)(1) of such Act (42 U.S.C. 1395d(a)(1)) is
 16 amended by striking “and inpatient rural primary
 17 care hospital services” and inserting “, inpatient
 18 rural primary care hospital services, and inpatient
 19 medical assistance facility services”.

20 (B) Section 1814 of such Act (42 U.S.C.
 21 1395f) is amended—

22 (i) in subsection (a)—

23 (I) by striking “and” at the end of
 24 paragraph (7),

1 (II) by striking the period at the end
2 of paragraph (8) and inserting “; and”,
3 and

4 (III) by inserting after paragraph (8)
5 the following new paragraph:

6 “(9) in the case of inpatient medical assistance
7 facility services, a physician certifies that such serv-
8 ices were required to be immediately furnished on a
9 temporary, inpatient basis.”;

10 (ii) in subsection (b), by striking “inpa-
11 tient rural primary care hospital services,” and
12 inserting “inpatient rural primary care hospital
13 services, other than a medical assistance facility
14 providing inpatient medical assistance facility
15 services,”; and

16 (iii) by adding at the end the following new
17 subsection:

18 “Payment for Inpatient Medical Assistance Facility
19 Services

20 “(m) The amount of payment under this part for in-
21 patient medical assistance facility services is the reason-
22 able costs of the medical assistance facility in providing
23 such services.”.

24 (3) TREATMENT OF MEDICAL ASSISTANCE FA-
25 CILITIES AS PROVIDERS OF SERVICES.—(A) Section

1 1861(u) of such Act (42 U.S.C. 1395x(u)) is amend-
 2 ed by inserting “medical assistance facility,” after
 3 “rural primary care hospital,”.

4 (B) The first sentence of section 1864(a) of
 5 such Act (42 U.S.C. 1395aa(a)) is amended by in-
 6 serting “a medical assistance facility, as defined in
 7 section 1861(o)(1),” after “1861(m)(1),”.

8 (C) The third sentence of section 1865(a) of
 9 such Act (42 U.S.C. 1395bb(a)) is amended by
 10 striking “or 1861(m)(1)” and inserting
 11 “1861(m)(1), or 1861(o)(1),”.

12 (4) CONFORMING AMENDMENTS.—(A) Section
 13 1128A(b)(1) of such Act (42 U.S.C. 1320a-
 14 7a(b)(1)) is amended—

15 (i) by striking “or a rural primary care
 16 hospital” the first place it appears and insert-
 17 ing “, a rural primary care hospital, or a medi-
 18 cal assistance facility”; and

19 (ii) by striking “or a rural primary care
 20 hospital” the second place it appears and in-
 21 serting “, the rural primary care hospital, or
 22 the medical assistance facility”.

23 (B) Section 1128B(c) of such Act (42 U.S.C.
 24 1320a-7b(c)) is amended by inserting “medical as-

1 sistance facility,” after “rural primary care hos-
2 pital,”.

3 (C) Section 1134 of such Act (42 U.S.C.
4 1320b-4) is amended by striking “or rural primary
5 care hospitals” each place it appears and inserting
6 “, rural primary care hospitals, or medical assist-
7 ance facilities”.

8 (D) Section 1138(a)(1) of such Act (42 U.S.C.
9 1320b-8(a)(1)) is amended—

10 (i) in the matter preceding subparagraph
11 (A), by striking “or rural primary care hos-
12 pital” and inserting “, rural primary care hos-
13 pital, or medical assistance facility”, and

14 (ii) in the matter preceding clause (i) of
15 subparagraph (A), by striking “or rural pri-
16 mary care hospital” and inserting “, rural pri-
17 mary care hospital, or medical assistance facil-
18 ity”.

19 (E) Section 1164(e) of such Act (42 U.S.C.
20 1320c-13(e)) is amended by inserting “medical as-
21 sistance facilities,” after “rural primary care hos-
22 pitals,”.

23 (F) Section 1816(c)(2)(C) of such Act (42
24 U.S.C. 1395h(c)(2)(C)) is amended by inserting

1 “medical assistance facility,” after “rural primary
2 care hospital,”.

3 (G) Section 1833 of such Act (42 U.S.C. 1395l)
4 is amended—

5 (i) in subsection (h)(5)(A)(iii)—

6 (I) by striking “or rural primary care
7 hospital” and inserting “rural primary
8 care hospital, or medical assistance facil-
9 ity”; and

10 (II) by striking “to the hospital” and
11 inserting “to the hospital or the facility”;

12 (ii) in subsection (i)(1)(A), by inserting
13 “medical assistance facility,” after “rural pri-
14 mary care hospital,”;

15 (iii) in subsection (i)(3)(A), by striking “or
16 rural primary care hospital services” and in-
17 serting “rural primary care hospital services, or
18 medical assistance facility services”;

19 (iv) in subsection (l)(5)(A), by inserting
20 “medical assistance facility,” after “rural pri-
21 mary care hospital,” each place it appears; and

22 (v) in subsection (l)(5)(C), by striking “or
23 rural primary care hospital” each place it ap-
24 pears and inserting “, rural primary care hos-
25 pital, or medical assistance facility”.

1 (H) Section 1835(c) of such Act (42 U.S.C.
2 1395n(c)) is amended by adding at the end the fol-
3 lowing: “A medical assistance facility shall be con-
4 sidered a hospital for purposes of this subsection.”.

5 (I) Section 1842(b)(6)(A)(ii) of such Act (42
6 U.S.C. 1395u(b)(6)(A)(ii)) is amended by inserting
7 “medical assistance facility,” after “rural primary
8 care hospital,”.

9 (J) Section 1861 of such Act (42 U.S.C.
10 1395x) is amended—

11 (i) in the last sentence of subsection (e), by
12 striking “1861(mm)(1))” and inserting
13 “1861(mm)(1)) or a medical assistance facility
14 (as defined in section 1861(oo)(1)).”,

15 (ii) in subsection (w)(1) by inserting “med-
16 ical assistance facility,” after “rural primary
17 care hospital,” and

18 (iii) in subsection (w)(2), by striking “or
19 rural primary care hospital” each place it ap-
20 pears and inserting “, rural primary care hos-
21 pital, or medical assistance facility”.

22 (K) Section 1862(a)(14) of such Act (42 U.S.C.
23 1395y(a)(14)) is amended by striking “or rural pri-
24 mary care hospital” each place it appears and in-

1 serting “, rural primary care hospital, or medical as-
2 sistance facility”.

3 (L) Section 1866(a)(1) of such Act (42 U.S.C
4 1395cc(a)(1)) is amended—

5 (i) in subparagraph (F)(ii), by inserting
6 “medical assistance facilities,” after “rural pri-
7 mary care hospitals,”;

8 (ii) in subparagraph (H)—

9 (I) in the matter preceding clause (i),
10 by inserting “and in the case of medical
11 assistance facilities which provide inpatient
12 medical assistance facility services” after
13 “rural primary care hospital services”; and

14 (II) in clauses (i) and (ii), by striking
15 “hospital” each place it appears and in-
16 serting “hospital or facility”;

17 (iii) in subparagraph (I)—

18 (I) in the matter preceding clause (i),
19 by striking “or rural primary care hos-
20 pital” and inserting “, a rural primary
21 care hospital, or a medical assistance facil-
22 ity”; and

23 (II) in clause (ii), by striking “the
24 hospital” and inserting “the hospital or the
25 facility”; and

1 (iv) in subparagraph (N)—

2 (I) in the matter preceding clause (i),
3 by striking “and rural primary hospitals”
4 and inserting “, rural primary care hos-
5 pitals, and medical assistance facilities”;

6 (II) in clause (i), by striking “or rural
7 primary care hospital,” and inserting “,
8 rural primary care hospital, or medical as-
9 sistance facility,”; and

10 (III) in clause (ii), by striking “hos-
11 pital” and inserting “hospital or facility”.

12 (M) Section 1866(a)(3) of such Act (42 U.S.C.
13 1395cc(a)(3)) is amended—

14 (i) by striking “rural primary care hos-
15 pital,” each place it appears in subparagraphs
16 (A) and (B) and inserting “rural primary care
17 hospital, medical assistance facility,”, and

18 (ii) in subparagraph (C)(ii)(II), by striking
19 “rural primary care hospitals,” each place it
20 appears and inserting “rural primary care hos-
21 pitals, medical assistance facilities”.

22 (N) Section 1867(e)(5) of such Act (42 U.S.C.
23 1395dd(e)(5)) is amended by striking
24 “1861(mm)(1))” and inserting “1861(mm)(1)) or a

1 medical assistance facility (as defined in section
2 1861(oo)(1)).”.

3 (b) AMENDMENTS TO PART B.—

4 (1) COVERAGE.—(A) Section 1861(oo) of the
5 Social Security Act (42 U.S.C. 1395x(oo)), as added
6 by section 1, is amended by adding at the end the
7 following new paragraph:

8 “(3) The term ‘outpatient medical assistance facility
9 services’ means medical and other health services fur-
10 nished by a medical assistance facility on an outpatient
11 basis.”.

12 (B) Section 1832(a)(2) of such Act (42 U.S.C.
13 1395k(a)(2)) is amended—

14 (i) in subparagraph (I), by striking “and”
15 at the end;

16 (ii) in subparagraph (J), by striking the
17 period at the end and inserting “; and”; and

18 (iii) by adding at the end the following new
19 subparagraph:

20 “(K) outpatient medical assistance facility
21 services (as defined in section 1861(oo)(3)).”.

22 (2) PAYMENT.—(A) Section 1833(a) of such
23 Act (42 U.S.C. 1395l(a)) is amended—

1 (i) in paragraph (2), in the matter preced-
2 ing subparagraph (A), by striking “and (I)”
3 and inserting “(I), and (K)”;

4 (ii) in paragraph (6), by striking “and” at
5 the end;

6 (iii) in paragraph (7), by striking the pe-
7 riod at the end and inserting “; and”; and

8 (iv) by adding at the end the following new
9 paragraph:

10 “(8) in the case of outpatient medical assist-
11 ance facility services, the amounts described in sec-
12 tion 1834(i).”.

13 (B) Section 1834 of such Act (42 U.S.C.
14 1395m) is amended by adding at the end the follow-
15 ing new subsection:

16 “(i) PAYMENT FOR OUTPATIENT MEDICAL ASSIST-
17 ANCE FACILITY SERVICES.—The amount of payment for
18 outpatient medical assistance facility services provided in
19 a medical assistance facility under this part shall be deter-
20 mined by one of the two following methods, as elected by
21 the medical assistance facility:

22 “(1) COST-BASED FACILITY FEE PLUS PROFES-
23 SIONAL CHARGES.—

24 “(A) FACILITY FEE.—With respect to fa-
25 cility services, not including any services for

1 which payment may be made under subpara-
2 graph (B), there shall be paid amounts equal to
3 the amounts described in section 1833(a)(2)(B)
4 (describing amounts paid for hospital out-
5 patient services).

6 “(B) REASONABLE CHARGES FOR PROFES-
7 SIONAL SERVICES.—In electing treatment under
8 this paragraph, payment for professional medi-
9 cal services otherwise included within outpatient
10 medical assistance facility services shall be
11 made under such other provisions of this part
12 as would apply to payment for such services if
13 they were not included in outpatient medical as-
14 sistance facility services.

15 “(2) ALL-INCLUSIVE RATE.—

16 “(A) IN GENERAL.—With respect to both
17 facility services and professional medical serv-
18 ices, there shall be paid amounts equal to the
19 excess of—

20 “(i) the costs which are reasonable
21 and related to the cost of furnishing such
22 services or which are based on such other
23 tests of reasonableness as the Secretary
24 may prescribe in regulations, over

1 “(ii) the amount the facility may
2 charge as described in clause (i) of section
3 1866(a)(2)(A).

4 “(B) LIMITATION.—

5 “(i) IN GENERAL.—The payment
6 amount determined under subparagraph
7 (A) with respect to items and services shall
8 not exceed 80 percent of the amount deter-
9 mined under clause (i) of such subpara-
10 graph with respect to such items and serv-
11 ices.

12 “(ii) CERTAIN ITEMS AND SERV-
13 ICES.—Clause (i) shall not apply to—

14 “(I) items and services described
15 in section 1861(s)(10)(A), and

16 “(II) items and services fur-
17 nished in connection with obtaining a
18 second opinion required under section
19 1164(c)(2), or third opinion, if the
20 second opinion was in disagreement
21 with the first opinion.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective for services provided on or
24 after the date of the enactment of this section.

1 **SEC. 4. GRANT PROGRAM FOR THE USE OF INTERACTIVE**
2 **TELECOMMUNICATIONS SYSTEMS IN PROVID-**
3 **ING HEALTH CARE TO RURAL AREAS.**

4 Title VII of the Social Security Act (42 U.S.C. 901
5 et seq.) is amended by adding at the end the following
6 new section:

7 “GRANT PROGRAM FOR THE USE OF INTERACTIVE TELE-
8 COMMUNICATIONS SYSTEMS IN PROVIDING HEALTH
9 CARE TO RURAL AREAS

10 “SEC. 712. (a) ESTABLISHMENT OF PROGRAM.—

11 “(1) IN GENERAL.—The Assistant Secretary for
12 Rural Health (hereafter referred to in this section as
13 the “Assistant Secretary”), through the Office of
14 Rural Health Policy, shall establish a program to
15 provide grants to rural health care networks (as de-
16 fined in paragraph (2)) to enhance the delivery of
17 health care in rural areas through the use of inter-
18 active telecommunications systems.

19 “(2) DEFINITION.—For purposes of this sec-
20 tion, the term “rural health care network” means a
21 group of providers furnishing health care services to
22 a rural area composed of—

23 “(A) a tertiary care facility, rural referral
24 center (as defined in section 1886(d)(5)(C)(i)),
25 or medical teaching institution; and

1 “(B) one or more rural hospitals, clinics,
2 medical assistance facilities, mental health de-
3 partments or similar facilities, including com-
4 munity health centers (as defined in section 330
5 of the Public Health Service Act) and migrant
6 health centers (as defined in section 329 of the
7 Public Health Service Act).

8 “(b) APPLICATION REQUIREMENTS.—

9 “(1) IN GENERAL.—In order to be eligible to
10 receive a grant under this section, a rural health
11 care network must submit an application to the As-
12 sistant Secretary at such time and in such manner
13 as the Assistant Secretary shall require.

14 “(2) CONTENTS OF APPLICATION.—An applica-
15 tion submitted under this section must contain—

16 “(A) a plan for acquisition and operation
17 of an interactive telecommunications system;

18 “(B) a description of the uses to be made
19 of such system;

20 “(C) a description of how such system will
21 function in connection with existing common
22 carrier networks; and

23 “(D) a description of a plan for evaluation
24 of the cost and effectiveness of the system and

1 the quality of the health care delivered under
2 the system.

3 “(3) CONSIDERATION OF APPLICATIONS.—In
4 considering the applications submitted under this
5 subsection, the Assistant Secretary shall give a pref-
6 erence to rural health care networks that establish
7 multiple uses for the interactive telecommunications
8 system in the rural area served by the system, in-
9 cluding uses that do not relate to the provision of
10 health care.

11 “(c) AMOUNT OF GRANTS; USE OF FUNDS.—

12 “(1) LIMITATION ON AMOUNT OF GRANTS.—
13 The amount of any grant awarded to a rural health
14 care network under this section in any fiscal year
15 shall not exceed \$500,000.

16 “(2) NUMBER OF ANNUAL GRANTS ALLOWED
17 PER NETWORK.—No more than 3 annual grants
18 may be awarded to any rural health care network
19 under this section.

20 “(3) USE OF FUNDS.—

21 (A) IN GENERAL.—From the amounts
22 awarded to a rural health care network under
23 this section, funds may be expended to support
24 the cost of activities involving the sending and
25 receiving of information to improve the delivery

1 of health care services to rural areas includ-
2 ing—

3 “(i) consultations between health care
4 providers in remote areas and providers in
5 large facilities;

6 “(ii) the transfer and analysis of x-
7 rays, lab slides, and other images;

8 “(iii) the development of innovative
9 health education programs; and

10 “(iv) such other related activities as
11 the Assistant Secretary determines to be
12 consistent with the purposes of this sec-
13 tion.

14 “(B) LIMITATION.—Each grant awarded
15 to a rural health care network under this sec-
16 tion is subject to the following limitations:

17 “(i) No more than 35 percent of the
18 grant funds may be used to acquire inter-
19 active telecommunications equipment.

20 “(ii) No grant funds may be used to
21 establish or operate a telecommunications
22 common carrier network.

23 “(d) EVALUATION AND REPORT.—The Assistant Sec-
24 retary shall provide for an evaluation of the grant program
25 under this section to be conducted by the Office of Rural

1 Health Policy which shall prepare and submit a report to
 2 the Congress not later than 4 years after the date on
 3 which the first grant is awarded under this section sum-
 4 marizing such evaluation.

5 “(e) FUNDING.—There are authorized to be appro-
 6 priated \$5,000,000 for each of fiscal years 1994, 1995,
 7 and 1996 to carry out the purposes of this Act and such
 8 sums shall remain available until expended.”.

9 **SEC. 5. DIRECT GRADUATE MEDICAL EDUCATION.**

10 (a) PUBLICLY FUNDED FAMILY PRACTICE RESI-
 11 DENCY PROGRAMS.—

12 (1) IN GENERAL.—Section 1886(h)(5) (42
 13 U.S.C. 1395ww(h)(5)) is amended by adding at the
 14 end the following new subparagraph:

15 “(H) ADJUSTMENTS FOR CERTAIN FAMILY
 16 PRACTICE RESIDENCY PROGRAMS.—

17 “(i) IN GENERAL.—In the case of an
 18 approved medical residency training pro-
 19 gram (meeting the requirements of clause
 20 (ii)) of a hospital which received payments
 21 from the United States, a State, or a polit-
 22 ical subdivision of a State or an instrumen-
 23 tality of such a State or political subdivi-
 24 sion (other than payments under this title
 25 or a State plan under title XIX) during

1 the cost reporting period that began during
2 fiscal year 1984, the Secretary shall—

3 “(I) provide for an average
4 amount under paragraph (2)(A) that
5 takes into account the Secretary’s es-
6 timate of the amount that would have
7 been recognized as reasonable under
8 this title if the hospital had not re-
9 ceived such payments, and

10 “(II) reduce the payment amount
11 otherwise provided under this sub-
12 section in an amount equal to the pro-
13 portion of such program payments
14 during the cost reporting period in-
15 volved that is allocable to this title.

16 “(ii) ADDITIONAL REQUIREMENTS.—
17 A hospital’s approved medical residency
18 program meets the requirements of this
19 clause if—

20 “(I) the program is limited to
21 training for family and community
22 medicine;

23 “(II) the program is the only ap-
24 proved medical residency program of
25 the hospital; and

1 “(III) the average amount deter-
 2 mined under paragraph (2)(A) for the
 3 hospital (as determined without re-
 4 gard to the increase in such amount
 5 described in clause (i)(I)) does not ex-
 6 ceed \$10,000.”.

7 (2) EFFECTIVE DATE.—The amendment made
 8 by paragraph (1) shall apply to payments under sec-
 9 tion 1886(h) of the Social Security Act for cost re-
 10 porting periods beginning on or after October 1,
 11 1990.

12 (b) PREVENTIVE CARE SERVICES AS PART OF INI-
 13 TIAL RESIDENCY PERIOD.—

14 (1) ELIGIBILITY OF PREVENTIVE CARE RESI-
 15 DENCY PROGRAMS FOR EXPANDED INITIAL RESI-
 16 DENCY PERIODS.—Section 1886(h)(5)(F)(ii) (42
 17 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by insert-
 18 ing after “fellowship program” the following: “or a
 19 preventive care residency or fellowship program”.

20 (2) EFFECTIVE DATE.—The amendment made
 21 by paragraph (1) shall apply to cost reporting peri-
 22 ods beginning on or after October 1, 1993.

○

S 1143 IS—2